

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ISO-00 IO-13 L-03 NSC-05 CU-04 SS-15
AID-05 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 USIA-15
XMB-04 OPIC-06 SP-02 CIEP-02 OMB-01 /100 W
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FM AMEMBASSY ABIDJAN
TO DEPT OF TREASURY IMMEDIATE
INFO SECSTATE WASHDC 2012

UNCLAS SECTION 1 OF 2 ABIDJAN 1475

AFDF

TREASURY FOR GAASERUD

DEPT PASS NAC AGENCIES

E.O. 11652: N/A
TAGS: AFDB, EFIN, EAID
SUBJECT: PROPOSED AFDF LOAN TO FINANCE TEXTBOOK
PRINTING PROJECT IN SOMALIA

1. SUMMARY: AFDF MANAGEMENT PROPOSES 1.5 MILLION FUND UNIT OF ACCOUNT (FUA EQUALS \$1.11US) LOAN TO GOVERNMENT OF SOMALIA TO FINANCE ENTIRE FOREX COST AND PORTION OF LOCAL COST OF BUILDING AND EQUIPPING A TEXTBOOK PRINTING FACILITY AND PROVIDING TECHNICAL ASSISTANCE IN OPERATING THE FACILITY. PROJECT IS AIMED AT AUGMENTING INADEQUATE PRINTING CAPACITY AT THE GOVERNMENT'S STATE PRINTING AGENCY (SPA).

2. AFDF DOC BD/77/10 WITH ATTACHMENTS DESCRIBING PROPOSED LOAN POUCHED TO ADDRESSEES FEB 4. BOARD CONSIDERATION SCHEDULED FOR FEB 21.

3. AFDF MANAGEMENT PROPOSES 1.5 MILLION FUA LOAN TO GOVT
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OF DEMOCRATIC REPUBLIC OF SOMALIA. LOAN TO FINANCE ENTIRE FOREX COST OF PROJECT AMOUNTING TO 1.308 MILLION FUA AND 192 THOUSAND FUA OF LOCAL COST. GOVT OF SOMALIA WILL FINANCE REMAINDER OF LOCAL COST AMOUNTING TO 250 THOUSAND FUA. PROJECT COMPONENTS CONSISTS OF A) PRINTING AND RELATED EQUIPMENT, B) CONSTRUCTION OF PHYSICAL PLANT TO ACCOMMODATE PRINTING PLANT, C) CONSTRUCTION OF STORAGE AREA FOR CONSUMABLE SUPPLIES

AND TEXTBOOKS, AND D) THREE MAN-YEARS OF TECHNICAL ASSISTANCE. PROPOSED TERMS ARE 50 YEARS AMORTIZATION INCLUDING 10 YEARS GRACE PERIOD, 0.75 PERCENT SERVICE CHARGE PER YEAR. GOVERNMENT OF SOMALIA TO BE BORROWER, MINISTRY OF EDUCATION TO BE EXECUTING AGENCY.

4. SINCE 1969, THE EDUCATION SECTOR IN SOMALIA HAS RECEIVED HIGH PRIORITY FROM THE GOVERNMENT. IN 1972, THE SOMALI LANGUAGE, WITH LATIN SCRIPT, BECAME THE OFFICIAL VEHICLE OF COMMUNICATION, AND A PROGRAM WAS UNDERTAKEN FOR THE PREPARATION OF TEXTBOOKS AND RELATED INSTRUCTION MATERIALS. THE EDUCATION SECTOR HAS BEEN RECEIVING CONSIDERABLE ASSISTANCE FROM INTERNATIONAL AND BILATERAL SOURCES. THE GOVERNMENT HAS OBTAINED PRINTING EQUIPMENT FROM UNICEF AND HAS IN ADDITION ALLOCATED ITS OWN RESOURCES TO FORM THE STATE PRINTING AGENCY. CURRENT FACILITIES AND INSUFFICIENT TO KEEP UP WITH GROWING DEMAND FOR THE PRODUCTION OF MATERIAL IN THE EDUCATION FIELD. DURING APPRAISAL OF THIS PROJECT, AFDF MANAGEMENT LEARNED THAT A SIMILAR PROJECT WAS BEING CONSIDERED UNDER THE IDA THIRD EDUCATION PROJECT. IT WAS THEREFORE AGREED THAT THE AFDF WOULD FINANCE THE PRINTING PLANT, WHILE THE IDA CREDIT WOULD BE USED TO PROVIDE CONSUMABLE SUPPLIES (PAPER, INK, ETC.) FOR A THREE YEAR PERIOD.

5. SOMALIA INHERITED, AT THE TIME OF INDEPENDENCE, TWO EDUCATIONAL SYSTEMS, ONE BRITISH IN THE NORTH OF THE COUNTRY AND THE OTHER ITALIAN IN THE SOUTH; THERE WAS ALSO WIDESPREAD USE OF ARABIC AS A MEANS OF INSTRUCTION AND COMMUNICATION. HOWEVER, SOMALIA IS FORTUNATE IN HAVEING A SINGLE LANGUAGE AND UNCLASSIFIED

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CULTURE THROUGHOUT ITS TERRITORY. PREPARATIONS BEGAN IN THE LATE 1960'S TO DEVISE AN ORTHOGRAPHY FOR THE LANGUAGE WHICH UNTIL THAT TIME HAD ONLY FOUND ORAL EXPRESSION IN SOMALIA. A SOMALI LANGUAGE COMMISSION RECOMMENDED THE ADOPTION OF THE LATIN ORTHOGRAPHY, AND THEIR DECISION WAS GIVEN LEGISLATIVE FORCE IN MARCH 1975. APART FROM THE NEED TO PROVIDE MATERIAL IN SOMALI WHICH HAD PREVIOUSLY APPEARED IN ENGLISH, ITALIAN, OR ARABIC, NEW DEMANDS HAVE ARISEN IN TERMS OF SOMALI CONTENT FOR GENERAL READING AND INSTRUCTIONAL MATERIAL, FOR THE CURRICULA OF THE FORMAL SCHOOL SYSTEM, AND FOR MASS DISTRIBUTION MATERIAL IN GOVT SPONSORED LITERACY CAMPAIGNS.

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COME-00 FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06
SP-02 CIEP-02 OMB-01 CU-04 SS-15 /100 W
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6. THE ENTIRE PRINTING CAPACITY OF SOMALIA IS CONCENTRATED UNDER THE SPA. THE ACTUAL EDUCATIONAL MATERIAL PRINTED BY THE SPA IN 1976 WAS 200.4 MILLION PAGES, WHICH WAS ABOUT 65 PERCENT OF THE AMOUNT REQUIRED. PRINTING REQUIREMENTS WILL RISE TO 620 MILLION PAGES IN 1981/82, ALMOST DOUBLE THAT OF 1976. THE PRODUCTION CAPACITY OF THE NEW FACILITY IS EXPECTED TO MEET THOSE REQUIREMENTS, AND THE CAPACITY COULD BE FURTHER INCREASED BY OPERATING ON A DOUBLE SHIFT BASIS. THE PRINTING OF EDUCATIONAL MATERIALS OCCUPIES ABOUT 34 PERCENT OF THE CAPACITY OF SPA. THE REMAINING 66 PERCENT CAPACITY IS DEVOTED TO THE PUBLICATION OF NEWSPAPERS AND MISCELLANEOUS GOVERNMENT AND PRIVATE MATERIALS. THE PRESENT MACHINES COULD BE FULLY OCCUPIED WITH NON-EDUCATIONAL PRINTING AND PUBLICATION. AN INDEPENDENT PRINTING ESTABLISHMENT DEVOTED EXCLUSIVELY TO PRODUCTION OF EDUCATIONAL MATERIAL IS NOT FEASIBLE DUE TO THE LACK OF SKILLED MANPOWER. HOWEVER, AN AGREEMENT WILL BE SIGNED TO

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ENSURE THAT THE PROJECT FACILITIES ARE UTILIZED FOR EDUCATIONAL PURPOSES ONLY. THE NEW SUB-PLANT CAN USE EXISTING SPA MANAGEMENT AND SKILLED PERSONNEL AND SOME OF THE AUXILIARY EQUIPMENT WHICH WILL NOT BE PROVIDED BY THE PROJECT.

7. THE PROJECT PROVIDES ONE COMPLETE WEB-FED PRESS UNIT, TWO TYPESETTING MACHINES, AND BINDING AND HANDLING EQUIPMENT.

THE PRESENT BUILDING OF SPA CANNOT ACCOMMODATE THE ADDITIONAL EQUIPMENT AND STORAGE SPACE, AND THEREFORE A NEW SITE OF 2,385 SQ. METERS ADJACENT TO THE EXISTING BUILDING HAS BEEN RESERVED FOR THE CONSTRUCTION OF A NEW FACILITY. THE BUILDING, WHICH WILL BE CONSTRUCTED OF CONCRETE BLOCKS AND REINFORCEMENT, WILL OCCUPY ABOUT 1,600 SQ. M. THE TEXTBOOK WAREHOUSE, WHICH IS PLANNED TO HOUSE ABOUT A HALF A MILLION TEXTBOOKS, WILL HAVE SHELVES ON PALLETS AND ALLOW THE NECESSARY CIRCULATION SPACE FOR FORKLIFT MACHINES. SEVERAL PIECES OF EQUIPMENT IN THE EXISTING SPA PLANT ARE NOT OPERATED PROPERLY DUE TO LACK OF SKILLS AND EXPERTISE. IN ORDER TO AVOID A RECURRENCE OF THIS SITUATION IN THE NEW PLANT, THE FOLLOWING EXPERTS WILL BE PROVIDED UNDER TECHNICAL ASSISTANCE: GENERAL MANAGEMENT, TYPESETTING, OFFSET PRINTING, BINDING TECHNIQUE, MECHANICAL ENGINEER, AND UNESCO EXPERT FOR EQUIPMENT SPECIFICATION.

8. THE MINISTRY OF EDUCATION HAS A PROJECT IMPLEMENTATION UNIT WHICH COMPLETED IMPLEMENTATION OF THE FIRST IDA EDUCATION PROJECT (US\$ 4.5 MILLION) AND IS PRESENTLY IMPLEMENTING THE SECOND IDA EDUCATION PROJECT (US\$ 8 MILLION). THE UNIT WILL ALSO BE RESPONSIBLE FOR THE IDA THIRD EDUCATION PROJECT WHICH INITIALLY HAD INCLUDED THE NEW TEXTBOOK PRINTING PLANT. THE ARCHITECTURAL DESIGN AND CONSTRUCTION SUPERVISION WILL BE UNDERTAKEN BY THE IMPLEMENTATION UNIT. BASED ON PAST EXPERIENCE WITH IDA AND OTHER PROJECTS IN SOMALIA, IT IS UNLIKELY THAT THE BUILDING CONSTRUCTION WILL ATTRACT INTERNATIONAL CONTRACTORS. LOCAL CONTRACTORS CAN HANDLE THE CONSTRUCTION. THE EQUIPMENT SPECIFICATIONS WILL BE PREPARED WITH THE ASSISTANCE OF A UNESCO EXPERT AND WILL BE PURCHASED THROUGH UNCLASSIFIED

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INTERNATIONAL COMPETITIVE BIDDING IN ACCORDANCE WITH AFDF PROCUREMENT PROCEDURES. THE LOAN WILL BE EFFECTIVE AND THE DESIGN COMPLETED BY THE BEGINNING OF 1978. CONSTRUCTION IS EXPECTED TO TAKE ABOUT 18-24 MONTHS. EQUIPMENT WILL BE ORDERED IN 1979. THE PROJECT IS EXPECTED TO PROVIDE A SAVINGS OF THE \$2 MILLION PER YEAR IN FOREIGN EXCHANGE CURRENTLY BEING SPENT ON IMPORTED PRINTED EDUCATIONAL MATERIALS. A DIRECT SAVINGS OF \$1 MILLION IS ANTICIPATED FROM LOWER COST OF DOMESTIC PRODUCTION.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRINTING, TECHNICAL ASSISTANCE, DEVELOPMENT LOANS, PROGRAMS (PROJECTS), TEXTBOOKS
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Copy: SINGLE
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
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TAGS: EFIN, EAID, SO, AFDB
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vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b002f6c7-c288-dd11-92da-001cc4696bcc
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